



**Commonwealth
of Massachusetts**

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Executive Office of
Health and Human Services

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Division of Health Care
Finance and Policy

Massachusetts Acute Hospital Financial Performance

Fiscal Year 2011

October 1, 2010 - September 30, 2011

August 2012



About the Fiscal Year 2011 Annual Report



DIVISION OF
Health Care
Finance and Policy

The Fiscal Year 2011 Annual Report continues the updated format introduced last quarter. This update is consistent with the Division's continuing emphasis on providing timely, relevant, and accurate information. This annual report includes four additional metrics: Days in Accounts Receivable, Average Payment Period, Equity Financing, and Debt Service Coverage metrics.

In developing this update, the Division sought to better highlight key information and increase the readability of the report. For instance, the hospital details on every page allow for easy comparisons between individual hospitals, and provide a clear sense of the performance of hospital cohorts. Further, the bulleted text identifies key trends and provides useful context. The Division will continue to publish the databook released concurrently with this report as well as the individual hospital fact sheets.


























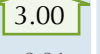









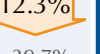







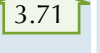
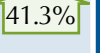
We hope our readers appreciate these changes.




Key Findings Fiscal Year 2011

This report examines hospital profitability, liquidity, and solvency in order to monitor and compare the financial status of acute care hospitals. Presented are industry analyses and comparisons of financial performance trends of different hospital cohorts: teaching hospitals versus community hospitals, and Disproportionate Share Hospitals (DSH) versus Non-Disproportionate Share Hospitals (Non-DSH). The report fiscal year is based on the fiscal year of the majority of Massachusetts hospitals: October 1st through September 30th. The financial data used in this report is cumulative from quarter one through quarter four. It is referred to as FY11 throughout this report.

Massachusetts Acute Hospital Financial Performance

FY11 Medians

	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Days in Accounts Receivable	Average Payment Period	Cash Flow to Total Debt	Debt Service Coverage	Equity Financing
Statewide Median (65 hospitals)	 2.1% 2.6%	 1.7% 2.0%	 0.3% 0.7%	 1.52 1.55	 38 37	 53 56	 14.9% 16.9%	 3.18 3.03	 39.6% 39.2%
Teaching Hospitals (18 hospitals)	 3.3% 5.3%	 2.6% 4.2%	 0.2% 1.2%	 1.55 1.55	 41 44	 52 52	 16.3% 18.7%	 4.29 4.29	 43.4% 43.6%
Community Hospitals (47 hospitals)	 1.8% 2.3%	 1.6% 1.6%	 0.3% 0.5%	 1.40 1.55	 37 36	 54 56	 14.9% 15.5%	 3.00 2.84	 35.3% 37.4%
Disproportionate Share Hospitals (29 hospitals) (DSH)	 0.1% 1.9%	 0.1% 1.2%	 0.2% 0.4%	 1.22 1.39	 35 34	 55 58	 11.9% 15.6%	 1.82 2.13	 12.3% 39.7%
Non-Disproportionate Share Hospitals (36 hospitals) (Non-DSH)	 3.1% 3.1%	 2.4% 2.4%	 0.5% 0.7%	 1.59 1.57	 40 40	 51 53	 17.0% 17.3%	 3.71 3.57	 41.3% 39.2%

Key: FY11 results compared with FY10 year end results (grey value): Same Value , Improved , Declined 

- Overall, Massachusetts acute hospital financial performance declined from FY10 to FY11.
- The median total margin decreased from 2.6% in FY10 to 2.1% in FY11. Most hospitals reported profitable financial performance in FY11, although fewer than in FY10.
- Liquidity remained fairly stable with the majority of hospitals comfortably able to meet short-term obligations.
- Solvency as measured by the equity financing ratio, remained stable for most of the industry, but worsened for those hospitals in the lowest quartile.
- Hospitals in the Southeast region had the highest median total margin. The regional total margins ranged from 5.0% at hospitals in the Southeast region to 0.4% for hospitals in the Northeast region.

MA Region Medians	Total Margin %
Statewide Median (65 hospitals)	2.1%
Southeast Region (11 hospitals)	5.0%
Central Region (8 hospitals)	2.5%
Western Region (11 hospitals)	2.1%
Metro Boston Region (25 hospitals)	1.7%
Northeast Region (10 hospitals)	0.4%

Additional Data

Hospital fact sheets and supplemental data released with this report include additional financial metrics not reported here.

More information can be found on our website at www.mass.gov/dhcfp.

Profitability

Liquidity

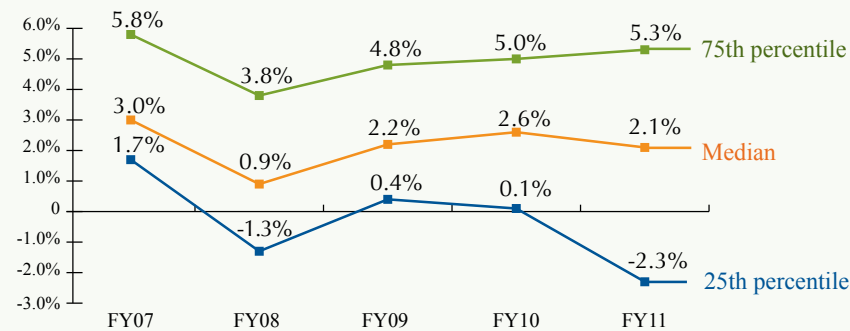
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Total Margin

Total Margin reflects the excess of total revenues over total expenses, including operating and non-operating activities such as investment income. In Massachusetts, the median acute hospital total margin declined from 2.6% in FY10 to 2.1% in FY11.

Acute Hospital Total Margin



Benchmark: Northeast US median FY10 = 2.3%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- Twenty-four out of sixty-five hospitals (37.0%) reported total margin losses in FY11, compared to sixteen hospitals (24.6%) in FY10.
- Teaching hospitals had higher profitability than community hospitals in each of the past five years. However, both teaching and community hospitals experienced declines in their median total margin in FY11 compared with FY10 (see Cohort Comparison table below).
- The median total margin at teaching hospitals declined from 5.3% in FY10 to 3.3% in FY11; six reported losses in FY11 compared to four in FY10. The median total margin at community hospitals declined from 2.3% in FY10 to 1.8% in FY11; eighteen reported losses in FY11 compared to thirteen in FY10.
- Disproportionate Share Hospitals (DSH) continue to report lower profitability than Non-Disproportionate Share Hospitals (Non-DSH) (see Cohort Comparison table below).

Cohort Comparison

Median Total Margin by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	3.0%	0.9%	2.2%	2.6%	2.1%
Teaching (18 hospitals)	7.2%	3.9%	5.1%	5.3%	3.3%
Community (47 hospitals)	2.7%	0.8%	1.7%	2.3%	1.8%
DSH (29 hospitals)	2.7%	-0.4%	1.1%	1.9%	0.1%
Non-DSH (36 hospitals)	4.2%	0.9%	2.5%	3.1%	3.1%

Massachusetts Acute Hospital Total Margin, FY11

Hospital Name	Type	Total Margin
Sturdy Memorial Hospital		9.7%
Falmouth Hospital	D	9.2%
Lahey Clinic	T	8.6%
Mount Auburn Hospital	T	7.9%
Steward Saint Anne's Hospital	D	7.7%
Cape Cod Hospital	D	7.6%
Massachusetts General Hospital	T	7.4%
Signature Healthcare Brockton Hospital	D	7.3%
Massachusetts Eye and Ear Infirmary	T	7.3%
Harrington Memorial Hospital		7.2%
Hallmark Health		7.0%
Berkshire Medical Center	T D	6.2%
Children's Hospital Boston	T	6.1%
Milford Regional Medical Center		5.9%
Fairview Hospital		5.7%
Health Alliance Hospital		5.5%
Lowell General Hospital		5.3%
Cooley Dickinson Hospital		5.3%
Brigham and Women's Hospital	T	5.2%
Southcoast Hospitals Group	D	5.0%
Newton-Wellesley Hospital		4.9%
Beth Israel Deaconess Medical Center	T	4.5%
New England Baptist Hospital		4.3%
Winchester Hospital		3.9%
Baystate Medical Center	T D	3.5%
Clinton Hospital	D	3.4%
UMass Memorial Medical Center	T D	3.1%
Holyoke Medical Center	D	2.9%
Lawrence General Hospital	D	2.3%
Northeast Hospital		2.2%
Wing Memorial Hospital	D	2.1%
South Shore Hospital		2.1%
Jordan Hospital		2.1%
Saint Vincent Hospital	T D	1.9%
Emerson Hospital		1.8%
Marlborough Hospital		1.7%
Martha's Vineyard Hospital		1.6%
Mercy Medical Center	D	1.4%
Tufts Medical Center	T	1.1%
Milton Hospital		0.3%
Steward Good Samaritan Medical Center	D	0.1%
Dana-Farber Cancer Institute	T	-0.9%
Steward Nashoba Valley Medical Center		-1.1%
Steward Carney Hospital, Inc.	T D	-1.2%
Heywood Hospital		-1.3%
Beth Israel Deaconess Hospital - Needham		-1.4%
Steward Holy Family Hospital	D	-1.4%
Anna Jaques Hospital		-1.5%
Faulkner Hospital	T	-2.3%
Athol Memorial Hospital	D	-2.3%
Steward Morton Hospital	D	-2.5%
Boston Medical Center	T D	-2.6%
Steward Norwood Hospital		-2.7%
North Adams Regional Hospital	D	-2.9%
Noble Hospital	D	-3.2%
North Shore Medical Center	D	-3.3%
Baystate Franklin Medical Center	D	-4.6%
Baystate Mary Lane Hospital		-4.6%
Saints Medical Center	D	-4.7%
Steward Merrimack Valley Hospital	D	-5.2%
Cambridge Health Alliance	T D	-6.7%
MetroWest Medical Center		-7.1%
Steward St. Elizabeth's Medical Center	T D	-7.9%
Steward Quincy Medical Center	D	-18.8%
Nantucket Cottage Hospital		-20.0%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

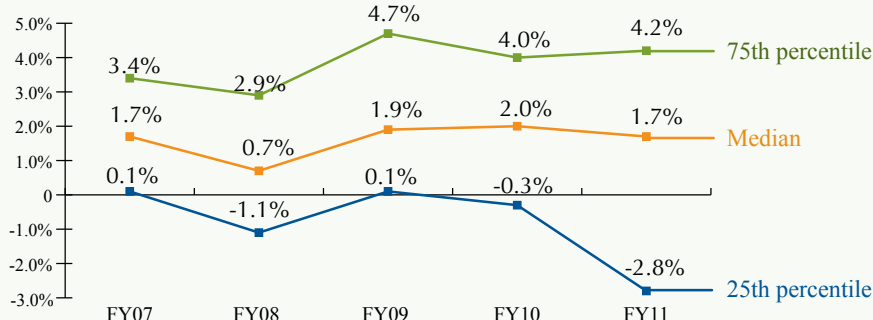
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Operating Margin

Operating Margin reflects revenues and expenses associated with patient care activities, but does not include investments, research, and other non-operating expenses. In FY11, fewer hospitals reported earning an operating surplus, and the median operating margin declined from 2.0% in FY10 to 1.7% in FY11.

Acute Hospital Operating Margin



Benchmark: Northeast US median FY10 = 1.4%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- Twenty-five (38%) out of sixty-five hospitals reported an operating margin loss in FY11, compared with nineteen hospitals (29%) in FY10.
- The median operating margin at teaching hospitals declined from 4.2% in FY10 to 2.6% in FY11. The median operating margin at community hospitals held steady at 1.6% in FY11.
- The median operating margin for Non-Disproportionate Share Hospitals (Non-DSH) remained at 2.4% from FY10 to FY11, whereas the median operating margin for Disproportionate Share Hospitals (DSH) declined during this period from 1.2% in FY10 to 0.1% in FY11.

Cohort Comparison

Median Operating Margin by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	1.7%	0.7%	1.9%	2.0%	1.7%
Teaching (18 hospitals)	3.1%	4.1%	5.0%	4.2%	2.6%
Community (47 hospitals)	1.4%	0.4%	1.5%	1.6%	1.6%
DSH (29 hospitals)	0.3%	0.7%	1.3%	1.2%	0.1%
Non-DSH (36 hospitals)	2.3%	0.7%	2.2%	2.4%	2.4%

Massachusetts Acute Hospital Operating Margin, FY11

Hospital Name	Type	Operating Margin
Lahey Clinic	T	8.6%
Falmouth Hospital	D	8.0%
Steward Saint Anne's Hospital	D	7.7%
Massachusetts General Hospital	T	7.0%
Cape Cod Hospital	D	6.9%
Mount Auburn Hospital	T	6.5%
Signature Healthcare Brockton Hospital	D	6.4%
Milford Regional Medical Center		5.8%
Health Alliance Hospital		5.6%
Cooley Dickinson Hospital		5.6%
Sturdy Memorial Hospital		5.4%
Brigham and Women's Hospital	T	5.3%
Newton-Wellesley Hospital		5.2%
Hallmark Health		5.2%
Children's Hospital Boston	T	4.4%
Harrington Memorial Hospital		4.2%
Berkshire Medical Center	T D	4.2%
Fairview Hospital		4.1%
Lowell General Hospital		4.0%
Baystate Medical Center	T D	3.7%
Beth Israel Deaconess Medical Center	T	3.5%
Southcoast Hospitals Group	D	3.4%
Martha's Vineyard Hospital		3.3%
UMass Memorial Medical Center	T D	3.3%
Winchester Hospital		3.0%
Holyoke Medical Center	D	3.0%
New England Baptist Hospital		2.7%
Clinton Hospital	D	2.6%
South Shore Hospital		2.2%
Lawrence General Hospital	D	2.1%
Saint Vincent Hospital	T D	1.9%
Wing Memorial Hospital	D	1.8%
Northeast Hospital		1.7%
Jordan Hospital		1.6%
Mercy Medical Center	D	1.6%
Tufts Medical Center	T	1.5%
Emerson Hospital		1.3%
Anna Jaques Hospital		1.0%
Marlborough Hospital		0.9%
Steward Good Samaritan Medical Center	D	0.1%
Milton Hospital		-0.5%
Steward Nashoba Valley Medical Center		-1.1%
Steward Carney Hospital, Inc.	T D	-1.2%
Heywood Hospital		-1.3%
Steward Holy Family Hospital	D	-1.4%
Beth Israel Deaconess Hospital - Needham		-2.0%
Faulkner Hospital	T	-2.2%
Athol Memorial Hospital	D	-2.6%
Steward Norwood Hospital		-2.7%
Boston Medical Center	T D	-3.1%
North Adams Regional Hospital	D	-3.2%
Noble Hospital	D	-3.4%
North Shore Medical Center	D	-3.4%
Steward Morton Hospital	D	-3.6%
Massachusetts Eye and Ear Infirmary	T	-4.0%
Saints Medical Center	D	-4.9%
Steward Merrimack Valley Hospital	D	-5.2%
Baystate Franklin Medical Center	D	-5.2%
Baystate Mary Lane Hospital		-5.5%
Dana-Farber Cancer Institute	T	-6.6%
MetroWest Medical Center		-7.2%
Steward St. Elizabeth's Medical Center	T D	-7.9%
Cambridge Health Alliance	T D	-8.0%
Steward Quincy Medical Center	D	-17.5%
Nantucket Cottage Hospital		-24.9%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

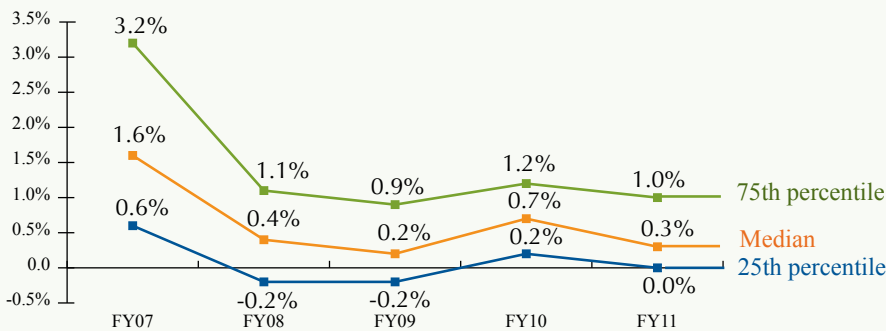
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Non-Operating Margin

Non-Operating Margin is the ratio of non-operating income to total revenue. It includes items that are not related to operations such as investment income, contributions, gains or losses from the sale of assets, and other unrelated business activities. In FY11, the median non-operating margin declined from 0.7% in FY10 to 0.3% in FY11.

Acute Hospital Non-Operating Margin



Benchmark: Northeast US median FY10 = 0.50%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- Many hospitals' non-operating margins declined during FY11. Sixteen out of sixty-five hospitals (25%) reported non-operating losses in FY11, compared to five (8%) in FY10.
- Two hospitals' non-operating gains were enough to fully compensate for operating losses and allow them to post a positive total margin (Milton Hospital and Massachusetts Eye and Ear Infirmary).
- The median non-operating margin declined for all hospital types: teaching, community, DSH, and Non-DSH. The decrease may be due to factors such as a decline in investment performance during this period.

Cohort Comparison

Median Non-Operating Margin by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	1.6%	0.4%	0.2%	0.7%	0.3%
Teaching (18 hospitals)	4.6%	-0.1%	1.0%	1.2%	0.2%
Community (47 hospitals)	1.4%	0.5%	0.2%	0.5%	0.3%
DSH (29 hospitals)	1.6%	0.2%	0.1%	0.4%	0.2%
Non-DSH (36 hospitals)	1.8%	0.5%	0.2%	0.7%	0.5%

Massachusetts Acute Hospital Non-Operating Margin, FY11

Hospital Name	Type	Non-Operating Margin
Massachusetts Eye and Ear Infirmary	T	11.3%
Dana-Farber Cancer Institute	T	5.8%
Nantucket Cottage Hospital		4.9%
Sturdy Memorial Hospital		4.3%
Harrington Memorial Hospital		3.0%
Berkshire Medical Center	T D	2.0%
Hallmark Health		1.8%
Children's Hospital Boston	T	1.7%
Fairview Hospital		1.6%
New England Baptist Hospital		1.6%
Southcoast Hospitals Group	D	1.6%
Mount Auburn Hospital	T	1.5%
Lowell General Hospital		1.3%
Cambridge Health Alliance	T D	1.2%
Steward Morton Hospital	D	1.2%
Falmouth Hospital	D	1.2%
Beth Israel Deaconess Medical Center	T	1.0%
Signature Healthcare Brockton Hospital	D	0.9%
Winchester Hospital		0.9%
Baystate Mary Lane Hospital	T	0.9%
Milton Hospital		0.8%
Marlborough Hospital		0.8%
Clinton Hospital	D	0.7%
Baystate Franklin Medical Center	D	0.7%
Cape Cod Hospital	D	0.6%
Beth Israel Deaconess Hospital - Needham		0.6%
Northeast Hospital		0.5%
Emerson Hospital		0.5%
Boston Medical Center	T D	0.5%
Jordan Hospital		0.5%
Massachusetts General Hospital	T	0.4%
Wing Memorial Hospital	D	0.3%
Athol Memorial Hospital	D	0.3%
North Adams Regional Hospital	D	0.3%
Noble Hospital	D	0.2%
Saints Medical Center	D	0.2%
Lawrence General Hospital	D	0.2%
Milford Regional Medical Center		0.1%
MetroWest Medical Center		0.1%
North Shore Medical Center	D	0.1%
Saint Vincent Hospital	T D	0.0%
Steward Carney Hospital, Inc.	T D	0.0%
Steward Good Samaritan Medical Center	D	0.0%
Steward Holy Family Hospital	D	0.0%
Steward Merrimack Valley Hospital	D	0.0%
Steward Nashoba Valley Medical Center		0.0%
Steward Norwood Hospital		0.0%
Steward Saint Anne's Hospital	D	0.0%
Steward St. Elizabeth's Medical Center	T D	0.0%
Heywood Hospital		0.0%
Lahey Clinic	T	0.0%
Faulkner Hospital	T	0.0%
South Shore Hospital		-0.1%
Holyoke Medical Center	D	-0.1%
Brigham and Women's Hospital	T	-0.1%
Health Alliance Hospital		-0.1%
UMass Memorial Medical Center	T D	-0.2%
Baystate Medical Center	T D	-0.2%
Mercy Medical Center	D	-0.2%
Newton-Wellesley Hospital		-0.3%
Cooley Dickinson Hospital		-0.3%
Tufts Medical Center	T	-0.5%
Steward Quincy Medical Center	D	-1.3%
Martha's Vineyard Hospital		-1.8%
Anna Jaques Hospital		-2.5%

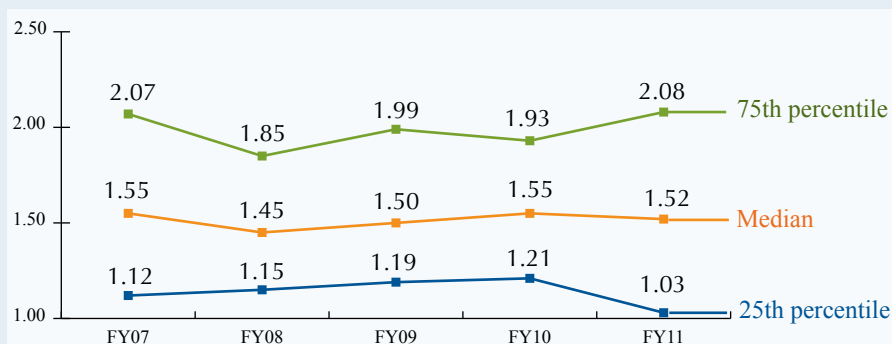
Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Liquidity refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported here: Current Ratio, Days in Accounts Receivable, and Average Payment Period.

Current Ratio

Current Ratio measures short-term financial health and indicates whether a hospital is able to meet current liabilities with current assets. The higher the current ratio, the more financially stable a hospital is in the short-term. Massachusetts acute hospitals' current ratio remained fairly stable with a median of 1.52 in FY11, compared with 1.55 in FY10.

Acute Hospital Current Ratio



Benchmark: Northeast US median FY10 = 1.58
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- Most hospitals (78% in FY11 compared with 83% in FY10) continue to show values at or above the industry benchmark value of 1.00. A ratio of 1.00 or higher indicates that all current liabilities could be adequately covered by the hospital's existing current assets.
- The median current ratio at teaching hospitals maintained a stable trend of 1.55 in FY11 and remained above the statewide median. At community hospitals, the median current ratio fell from 1.55 in FY10 to 1.40 in FY11.
- Disproportionate Share Hospitals (DSH) experienced the largest decline in their median current ratio, falling from 1.39 in FY10 to 1.22 in FY11. The median current ratio at Non-Disproportionate Share Hospitals (Non-DSH) improved slightly from 1.57 in FY10 to 1.59 in FY11.

Cohort Comparison

Median Current Ratio by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	1.55	1.45	1.50	1.55	1.52
Teaching (18 hospitals)	1.58	1.46	1.50	1.55	1.55
Community (47 hospitals)	1.49	1.44	1.49	1.55	1.40
DSH (29 hospitals)	1.50	1.33	1.33	1.39	1.22
Non-DSH (36 hospitals)	1.59	1.48	1.62	1.57	1.59

Massachusetts Acute Hospital Current Ratio, FY11

Hospital Name	Type	Current Ratio
Sturdy Memorial Hospital		9.57
Children's Hospital Boston	T	5.86
Lahey Clinic	T	4.78
Mount Auburn Hospital	T	4.47
Milford Regional Medical Center		3.50
New England Baptist Hospital		3.33
Beth Israel Deaconess Medical Center	T	3.30
Mercy Medical Center	D	2.95
Clinton Hospital	D	2.88
Hallmark Health		2.87
Massachusetts Eye and Ear Infirmary	T	2.52
North Adams Regional Hospital	D	2.51
Wing Memorial Hospital	D	2.36
Anna Jaques Hospital		2.29
Baystate Medical Center	T D	2.26
Marlborough Hospital		2.17
Lawrence General Hospital	D	2.08
Health Alliance Hospital		2.04
Martha's Vineyard Hospital		1.96
UMass Memorial Medical Center	T D	1.89
Boston Medical Center	T D	1.89
Emerson Hospital		1.86
Cooley Dickinson Hospital		1.83
Southcoast Hospitals Group	D	1.80
Beth Israel Deaconess Hospital - Needham		1.69
MetroWest Medical Center		1.69
Lowell General Hospital		1.60
Harrington Memorial Hospital		1.58
Saint Vincent Hospital	T D	1.57
Baystate Mary Lane Hospital		1.57
Tufts Medical Center	T	1.54
Milton Hospital		1.52
Massachusetts General Hospital	T	1.52
Brigham and Women's Hospital	T	1.40
Northeast Hospital		1.40
Winchester Hospital		1.40
Jordan Hospital		1.37
Baystate Franklin Medical Center	D	1.36
Newton-Wellesley Hospital		1.35
North Shore Medical Center	D	1.35
Falmouth Hospital	D	1.26
Cape Cod Hospital	D	1.24
Berkshire Medical Center	T D	1.22
Dana-Farber Cancer Institute	T	1.21
Cambridge Health Alliance	T D	1.18
Athol Memorial Hospital	D	1.17
Holyoke Medical Center	D	1.13
South Shore Hospital		1.05
Saints Medical Center	D	1.03
Fairview Hospital		1.01
Faulkner Hospital	T	1.01
Steward Merrimack Valley Hospital	D	0.97
Steward Nashoba Valley Medical Center		0.97
Heywood Hospital		0.81
Steward Morton Hospital	D	0.77
Steward Quincy Medical Center	D	0.73
Signature Healthcare Brockton Hospital	D	0.72
Steward St. Elizabeth's Medical Center	T D	0.58
Steward Holy Family Hospital	D	0.56
Steward Norwood Hospital		0.55
Noble Hospital	D	0.53
Steward Carney Hospital, Inc.	T D	0.51
Steward Good Samaritan Medical Center	D	0.50
Steward Saint Anne's Hospital	D	0.42
Nantucket Cottage Hospital		0.13

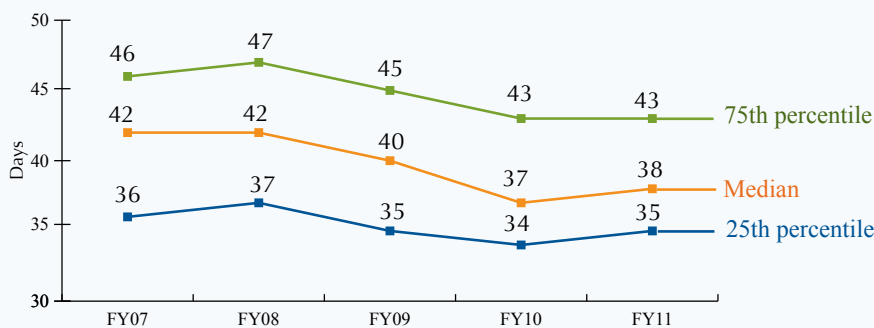
Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Liquidity refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported here: Current Ratio, Days in Accounts Receivable, and Average Payment Period.

Days in Accounts Receivable

Days in Accounts Receivable measures the average number of days hospitals take to collect patient and payer payments. The amount the hospital expects to receive is viewed as an asset and represents a large entry on a hospital's balance sheet. Patient receivables that are outstanding denote cash that is unavailable for use in operations or investments.

Acute Hospital Days in Accounts Receivable



Benchmark: Northeast US median FY10 = 41
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- In FY11, the median number of days in accounts receivable was fairly stable at 38 days, from 37 days in FY10.
- Teaching hospitals (41 days) took about four days longer than community hospitals (37 days) to collect revenue.
- Disproportionate Share Hospitals (DSH) (35 days) collected account receivables five days sooner than Non-Disproportionate Share Hospitals (Non-DSH) (40 days).

Cohort Comparison

Median Days in Accounts Receivable by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	42	42	40	37	38
Teaching (18 hospitals)	42	44	43	44	41
Community (47 hospitals)	42	40	39	36	37
DSH (29 hospitals)	37	38	39	34	35
Non-DSH (36 hospitals)	42	43	40	40	40

Massachusetts Acute Hospital Days in Accounts Receivable, FY11

Hospital Name	Type	Days in Accounts Receivable
Clinton Hospital	D	11
Marlborough Hospital		15
Wing Memorial Hospital	D	16
Cambridge Health Alliance	T D	21
Boston Medical Center	T D	29
Cooley Dickinson Hospital		29
Steward Carney Hospital, Inc.	T D	30
Newton-Wellesley Hospital		33
Health Alliance Hospital		33
Noble Hospital	D	33
Steward Norwood Hospital		34
Steward Good Samaritan Medical Center	D	34
Southcoast Hospitals Group	D	34
Steward Holy Family Hospital	D	34
Winchester Hospital		34
Falmouth Hospital	D	34
Steward Saint Anne's Hospital	D	35
North Shore Medical Center	D	35
Mercy Medical Center	D	35
Baystate Medical Center	T D	35
Steward Morton Hospital	D	35
Holyoke Medical Center	D	35
Beth Israel Deaconess Hospital - Needham		36
Lowell General Hospital		36
Northeast Hospital		36
Sturdy Memorial Hospital		36
North Adams Regional Hospital	D	37
Baystate Franklin Medical Center	D	37
Faulkner Hospital	T	37
Fairview Hospital		37
Cape Cod Hospital	D	37
Signature Healthcare Brockton Hospital	D	38
Hallmark Health		38
Emerson Hospital		39
Baystate Mary Lane Hospital		39
Saint Vincent Hospital	T D	39
Jordan Hospital		39
MetroWest Medical Center		40
Lahey Clinic	T	40
Steward St. Elizabeth's Medical Center	T D	40
Steward Merrimack Valley Hospital	D	40
South Shore Hospital		40
Mount Auburn Hospital	T	41
Steward Quincy Medical Center	D	41
Harrington Memorial Hospital		41
Heywood Hospital		41
UMass Memorial Medical Center	T D	42
Milton Hospital		43
Steward Nashoba Valley Medical Center		43
Massachusetts General Hospital	T	44
Anna Jaques Hospital		44
Lawrence General Hospital	D	45
Berkshire Medical Center	T D	45
New England Baptist Hospital		45
Milford Regional Medical Center		46
Nantucket Cottage Hospital		46
Brigham and Women's Hospital	T	46
Dana-Farber Cancer Institute	T	47
Children's Hospital Boston	T	47
Saints Medical Center	D	47
Massachusetts Eye and Ear Infirmary	T	48
Beth Israel Deaconess Medical Center	T	50
Tufts Medical Center	T	52
Martha's Vineyard Hospital		54
Athol Memorial Hospital	D	82

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

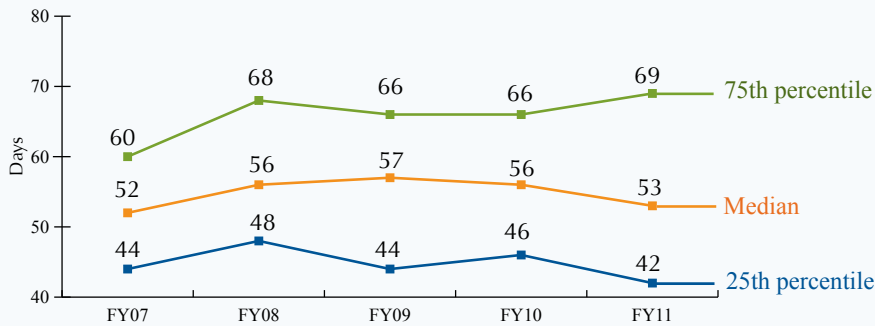
Solvency

Liquidity refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported here: Current Ratio, Days in Accounts Receivable, and Average Payment Period.

Average Payment Period

Average Payment Period measures the time it takes hospitals to pay current liabilities. Higher values may indicate potential liquidity problems and inability to pay current obligations.

Acute Hospital Average Payment Period



Benchmark: Northeast US median FY10 = 60
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- The average time taken to pay current liabilities continued a trend of improved efficiency with the average payment period decreasing from 56 days in FY10 to 53 days in FY11.
- Community hospitals (54 days) took about two days longer than teaching hospitals (52 days) to pay their bills.
- Disproportionate Share Hospitals (DSH) (55 days) took about 4 days longer than Non-Disproportionate Share Hospitals (Non-DSH) (51 days) to pay their bills.

Cohort Comparison

Median Average Payment Period by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	52	56	57	56	53
Teaching (18 hospitals)	55	56	55	52	52
Community (47 hospitals)	52	55	58	56	54
DSH (29 hospitals)	54	61	60	58	55
Non-DSH (36 hospitals)	52	54	54	53	51

Massachusetts Acute Hospital Average Payment Period, FY11

Hospital Name	Type	Average Payment Period
Lahey Clinic	T	18
MetroWest Medical Center		25
Sturdy Memorial Hospital		28
Martha's Vineyard Hospital		34
Baystate Franklin Medical Center	D	34
Saint Vincent Hospital	T D	35
Marlborough Hospital		36
Fairview Hospital		36
New England Baptist Hospital		36
Wing Memorial Hospital	D	38
Health Alliance Hospital		38
Anna Jaques Hospital		39
Baystate Mary Lane Hospital		40
Milford Regional Medical Center		40
Mercy Medical Center	D	41
Lawrence General Hospital	D	41
Cambridge Health Alliance	T D	42
Clinton Hospital	D	43
Harrington Memorial Hospital		43
Mount Auburn Hospital	T	44
Falmouth Hospital	D	45
Dana-Farber Cancer Institute	T	46
Baystate Medical Center	T D	47
Massachusetts General Hospital	T	47
Beth Israel Deaconess Medical Center	T	48
Northeast Hospital		48
Holyoke Medical Center	D	49
Steward Morton Hospital	D	50
Cape Cod Hospital	D	50
Faulkner Hospital	T	50
Newton-Wellesley Hospital		52
Steward Merrimack Valley Hospital	D	53
UMass Memorial Medical Center	T D	53
Steward Nashoba Valley Medical Center		54
Jordan Hospital		54
Beth Israel Deaconess Hospital - Needham		54
Southcoast Hospitals Group	D	55
Heywood Hospital		55
Massachusetts Eye and Ear Infirmary	T	55
Tufts Medical Center	T	55
Brigham and Women's Hospital	T	56
Cooley Dickinson Hospital		56
Winchester Hospital		57
South Shore Hospital		59
Berkshire Medical Center	T D	59
Emerson Hospital		61
Noble Hospital	D	64
Saints Medical Center	D	68
Signature Healthcare Brockton Hospital	D	69
Boston Medical Center	T D	71
North Shore Medical Center	D	72
Steward Quincy Medical Center	D	72
Hallmark Health		72
Steward Norwood Hospital		73
Lowell General Hospital		76
North Adams Regional Hospital	D	76
Steward Carney Hospital, Inc.	T D	78
Steward St. Elizabeth's Medical Center	T D	79
Milton Hospital		79
Steward Good Samaritan Medical Center	D	82
Athol Memorial Hospital	D	84
Children's Hospital Boston	T	86
Steward Saint Anne's Hospital	D	99
Steward Holy Family Hospital	D	103
Nantucket Cottage Hospital		139

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

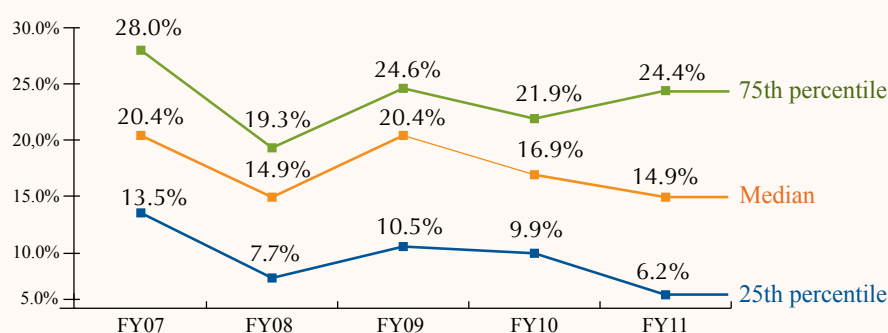
Solvency

Solvency measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported here: Cash Flow to Total Debt, Debt Service Coverage, and Equity Financing.

Cash Flow to Total Debt

Cash Flow to Total Debt is the ratio of current cash flow to total long-term debt. The lower this ratio, the more likely a hospital may find it difficult to meet current and long-term financing needs. The statewide median cash flow to total debt ratio decreased from 16.9% in FY10 to 14.9% in FY11.

Acute Hospital Cash Flow to Total Debt



Benchmark: Northeast US median FY10 = 15.4%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- In FY11, the median cash flow to total debt ratio decreased for both teaching and community hospitals to 16.3% and 14.9%, respectively.
- Disproportionate Share Hospitals (DSH) experienced a decline in their median cash flow to total debt ratio from 15.6% in FY10 to 11.9% in FY11, while Non-Disproportionate Share Hospitals (Non-DSH) were relatively stable at 17.0% in FY11.

Cohort Comparison

Median Cash Flow to Total Debt by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	20.4%	14.9%	20.4%	16.9%	14.9%
Teaching (18 hospitals)	22.2%	16.4%	21.6%	18.7%	16.3%
Community (47 hospitals)	19.0%	14.8%	18.8%	15.5%	14.9%
DSH (29 hospitals)	19.0%	8.4%	19.5%	15.6%	11.9%
Non-DSH (36 hospitals)	20.7%	15.8%	20.5%	17.3%	17.0%

Massachusetts Acute Hospital Cash Flow to Total Debt, FY11

Hospital Name	Type	Cash Flow to Total Debt
Sturdy Memorial Hospital		141.2%
Lahey Clinic	T	127.4%
Health Alliance Hospital		63.1%
Clinton Hospital	D	55.0%
Signature Healthcare Brockton Hospital	D	52.9%
Harrington Memorial Hospital		51.2%
Falmouth Hospital	D	44.7%
Massachusetts General Hospital	T	44.3%
Steward Saint Anne's Hospital	D	40.5%
Fairview Hospital		32.9%
Mount Auburn Hospital	T	28.2%
Martha's Vineyard Hospital		27.3%
Hallmark Health		26.2%
Holyoke Medical Center	D	26.1%
Lawrence General Hospital	D	25.8%
Massachusetts Eye and Ear Infirmary	T	25.3%
Cape Cod Hospital	D	24.4%
Brigham and Women's Hospital	T	23.2%
Southcoast Hospitals Group	D	23.1%
Berkshire Medical Center	T D	23.1%
Wing Memorial Hospital	D	22.9%
Cooley Dickinson Hospital		22.5%
Beth Israel Deaconess Medical Center	T	21.9%
New England Baptist Hospital		21.5%
Newton-Wellesley Hospital		21.3%
Marlborough Hospital		20.4%
Milford Regional Medical Center		20.0%
UMass Memorial Medical Center	T D	18.4%
Children's Hospital Boston	T	17.9%
Northeast Hospital		16.1%
Steward Good Samaritan Medical Center	D	15.1%
Lowell General Hospital		14.9%
Winchester Hospital		14.9%
Saint Vincent Hospital	T D	14.7%
South Shore Hospital		14.6%
Emerson Hospital		14.5%
Jordan Hospital		12.2%
Baystate Medical Center	T D	12.2%
Steward Norwood Hospital		12.2%
Steward Holy Family Hospital	D	11.9%
Mercy Medical Center	D	11.1%
Faulkner Hospital	T	9.5%
Steward Carney Hospital, Inc.	T D	9.3%
Dana-Farber Cancer Institute	T	9.1%
Tufts Medical Center	T	8.5%
Milton Hospital		8.5%
Anna Jaques Hospital		6.5%
Beth Israel Deaconess Hospital - Needham		6.2%
Steward Nashoba Valley Medical Center		6.2%
Boston Medical Center	T D	6.2%
Heywood Hospital		6.0%
Steward Morton Hospital	D	5.1%
Baystate Franklin Medical Center	D	4.5%
Noble Hospital	D	4.0%
North Adams Regional Hospital	D	2.9%
North Shore Medical Center	D	2.3%
Athol Memorial Hospital	D	-0.6%
Saints Medical Center	D	-1.1%
Cambridge Health Alliance	T D	-2.2%
Baystate Mary Lane Hospital		-2.3%
Steward Merrimack Valley Hospital	D	-6.5%
MetroWest Medical Center		-8.5%
Steward St. Elizabeth's Medical Center	T D	-11.5%
Steward Quincy Medical Center	D	-17.5%
Nantucket Cottage Hospital		-23.8%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

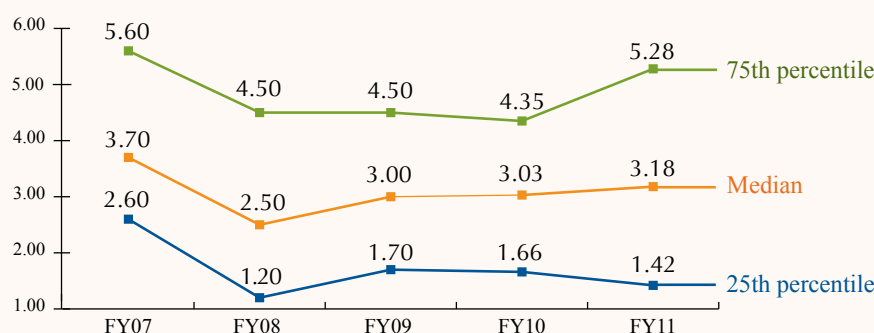
Solvency

Solvency measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported here: Cash Flow to Total Debt, Debt Service Coverage, and Equity Financing.

Debt Service Coverage

Debt Service Coverage measures the ability of a hospital to cover current debt obligations with funds derived from operating and non-operating activity. Higher ratios indicate a hospital is better able to meet its financing commitments. A ratio of 1.0 indicates that average income would just cover current interest and principal payments on long-term debt.

Acute Hospital Debt Service Coverage



Benchmark: Northeast US median FY10 = 3.3
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- The median debt service coverage ratio improved for community hospitals from 2.84 in FY10 to 3.00 in FY11, and remained steady for teaching hospitals at 4.29.
- The median debt service coverage ratio at Disproportionate Share Hospitals (DSH) declined from 2.13 in FY10 to 1.82 in FY11. The median debt service coverage ratio at Non-Disproportionate Share Hospitals (Non-DSH) increased from 3.57 in FY10 to 3.71 in FY11.

Cohort Comparison

Median Debt Service Coverage by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (57 hospitals)	3.70	2.50	3.00	3.03	3.18
Teaching (15 hospitals)	4.30	3.30	3.90	4.29	4.29
Community (42 hospitals)	3.20	2.40	2.90	2.84	3.00
DSH (26 hospitals)	3.20	1.50	1.90	2.13	1.82
Non-DSH (31 hospitals)	4.20	2.80	3.50	3.57	3.71

* A blank value indicates a facility with no current portion of long-term debt. As such, these hospitals were excluded from this median calculation.

Massachusetts Acute Hospital Debt Service Coverage, FY11

Hospital Name	Type	Debt Service Coverage
Steward Good Samaritan Medical Center	D	24.07
Health Alliance Hospital		18.49
Steward Norwood Hospital		14.06
Harrington Memorial Hospital		11.28
Massachusetts General Hospital	T	10.68
Lahey Clinic	T	9.76
Falmouth Hospital	D	9.28
Martha's Vineyard Hospital		8.03
Fairview Hospital		6.92
Baystate Medical Center	T D	6.79
Massachusetts Eye and Ear Infirmary	T	6.52
Lowell General Hospital		6.47
Mount Auburn Hospital	T	5.47
Southcoast Hospitals Group	D	5.30
Clinton Hospital	D	5.28
Marlborough Hospital		4.99
Winchester Hospital		4.64
Dana-Farber Cancer Institute	T	4.61
Berkshire Medical Center	T D	4.49
Brigham and Women's Hospital	T	4.29
Lawrence General Hospital	D	4.28
Cooley Dickinson Hospital		4.09
Wing Memorial Hospital	D	3.99
Beth Israel Deaconess Medical Center	T	3.73
Cape Cod Hospital	D	3.70
New England Baptist Hospital		3.69
Newton-Wellesley Hospital		3.26
Anna Jaques Hospital		3.18
Milford Regional Medical Center		3.18
Mercy Medical Center	D	3.16
UMass Memorial Medical Center	T D	2.91
Jordan Hospital		2.85
Holyoke Medical Center	D	2.74
Hallmark Health		2.50
Tufts Medical Center	T	2.49
Northeast Hospital		2.31
Heywood Hospital		2.09
Baystate Franklin Medical Center	D	1.82
Beth Israel Deaconess Hospital - Needham		1.81
Boston Medical Center	T D	1.73
South Shore Hospital		1.61
Steward Nashoba Valley Medical Center		1.43
Faulkner Hospital	T	1.42
Emerson Hospital		1.35
Steward Morton Hospital	D	1.33
Milton Hospital		1.25
North Adams Regional Hospital	D	0.98
Signature Healthcare Brockton Hospital	D	0.53
Noble Hospital	D	0.53
Athol Memorial Hospital	D	0.40
Saints Medical Center	D	0.36
North Shore Medical Center	D	0.26
Cambridge Health Alliance	T D	-0.29
Nantucket Cottage Hospital		-0.50
Steward Merrimack Valley Hospital	D	-2.36
Steward Quincy Medical Center	D	-2.58
Steward St. Elizabeth's Medical Center	T D	-20.64
Baystate Mary Lane Hospital*		
Children's Hospital Boston*	T	
MetroWest Medical Center*		
Saint Vincent Hospital*	T D	
Steward Carney Hospital, Inc.*	T D	
Steward Holy Family Hospital*	D	
Steward Saint Anne's Hospital*	D	
Sturdy Memorial Hospital*		

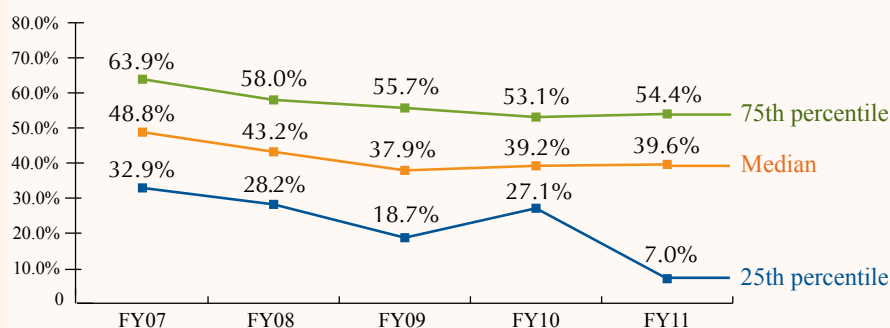
Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Solvency measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported here: Cash Flow to Total Debt, Debt Service Coverage, and Equity Financing.

Equity Financing

Equity Financing, measured by the proportion of total net assets financed with the hospital's equity, reflects the ability of a hospital to take on more debt. Equity financing ratios vary among hospitals. High values indicate a hospital with little or no long term liabilities. Lower values indicate that a hospital is highly leveraged, and may have difficulty securing access to debt financing in the future. In FY11, Massachusetts acute hospitals' median equity financing ratio remained relatively constant at 39.6%.

Acute Hospital Equity Financing



Benchmark: Northeast US median FY10 = 43.0%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2012)

- Historically, teaching hospitals have had a higher equity financing ratio than community hospitals. In FY11, the median equity financing ratio at teaching hospitals remained relatively constant at 43.4%, while the ratio at community hospitals declined from 37.4% in FY10 to 35.3% in FY11.
- The median equity financing ratio at Disproportionate Share Hospitals (DSH) decreased from 39.7% in FY10 to 12.3% in FY11. This is the lowest equity financing ratio in five years for this cohort. At Non-Disproportionate Share Hospitals (Non-DSH) the median equity financing ratio improved from 39.2% in FY10 to 41.3% in FY11.

Cohort Comparison

Median Equity Financing by Cohort

	FY07	FY08	FY09	FY10	FY11
Statewide Median (65 hospitals)	48.8%	43.2%	37.9%	39.2%	39.6%
Teaching (18 hospitals)	54.7%	48.3%	42.4%	43.6%	43.4%
Community (47 hospitals)	43.4%	40.3%	34.8%	37.4%	35.3%
DSH (29 hospitals)	39.6%	37.7%	36.3%	39.7%	12.3%
Non-DSH (36 hospitals)	53.4%	47.5%	38.7%	39.2%	41.3%

Massachusetts Acute Hospital Equity Financing, FY11

Hospital Name	Type	Equity Financing
Saint Vincent Hospital	T D	145.49%
Martha's Vineyard Hospital		87.41%
Sturdy Memorial Hospital		87.32%
Health Alliance Hospital		78.70%
Clinton Hospital	D	76.14%
Lawrence General Hospital	D	69.81%
Nantucket Cottage Hospital		67.96%
Falmouth Hospital	D	67.79%
Massachusetts General Hospital	T	65.48%
Baystate Mary Lane Hospital		64.77%
Dana-Farber Cancer Institute	T	63.26%
Children's Hospital Boston	T	63.20%
Harrington Memorial Hospital		60.16%
Wing Memorial Hospital	D	59.45%
Mount Auburn Hospital	T	57.18%
Boston Medical Center	T D	56.04%
Southcoast Hospitals Group	D	54.41%
Baystate Franklin Medical Center	D	52.53%
Winchester Hospital		51.36%
New England Baptist Hospital		49.45%
Heywood Hospital		49.01%
Cape Cod Hospital	D	48.93%
Berkshire Medical Center	T D	48.16%
Massachusetts Eye and Ear Infirmary	T	46.20%
Athol Memorial Hospital	D	44.39%
Beth Israel Deaconess Medical Center	T	43.78%
Mercy Medical Center	D	43.56%
Faulkner Hospital	T	43.08%
Hallmark Health		42.15%
Milford Regional Medical Center		41.94%
Beth Israel Deaconess Hospital - Needham		40.64%
Baystate Medical Center	T D	40.14%
Marlborough Hospital		39.64%
Lowell General Hospital		36.13%
Fairview Hospital		35.26%
Cooley Dickinson Hospital		31.68%
Newton-Wellesley Hospital		31.66%
Northeast Hospital		30.74%
South Shore Hospital		29.16%
Milton Hospital		27.85%
Cambridge Health Alliance	T D	26.14%
Jordan Hospital		26.03%
Emerson Hospital		25.39%
Anna Jaques Hospital		25.10%
Brigham and Women's Hospital	T	22.37%
Tufts Medical Center	T	13.14%
UMass Memorial Medical Center	T D	12.34%
Steward Saint Anne's Hospital	D	9.66%
North Shore Medical Center	D	6.96%
Signature Healthcare Brockton Hospital	D	6.64%
Steward Nashoba Valley Medical Center		-1.17%
North Adams Regional Hospital	D	-2.10%
Steward Good Samaritan Medical Center	D	-3.11%
Steward Merrimack Valley Hospital	D	-6.29%
Steward Holy Family Hospital	D	-7.83%
Steward Carney Hospital, Inc.	T D	-10.09%
Holyoke Medical Center	D	-14.64%
Steward Norwood Hospital		-15.77%
Lahey Clinic	T	-21.76%
Steward St. Elizabeth's Medical Center	T D	-24.01%
Steward Quincy Medical Center	D	-27.66%
Saints Medical Center	D	-32.12%
MetroWest Medical Center		-48.79%
Steward Morton Hospital	D	-58.43%
Noble Hospital	D	-63.40%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Acute Hospital Financial Performance, By Hospital System: FY11

(continued on next page)

Multi-Hospital Systems						
Hospital Name	Type		Total Margin	Operating Margin	Non-Operating Margin	Profit (Loss)
Baystate Health Inc., and Subsidiaries						\$25,587,000
Baystate Franklin Medical Center		D	-4.57%	-5.24%	0.67%	(\$3,517,000)
Baystate Mary Lane Hospital			-4.60%	-5.50%	0.90%	(\$1,371,000)
Baystate Medical Center	T	D	3.48%	3.66%	-0.18%	\$30,475,000
Berkshire Health System						\$23,495,842
Berkshire Medical Center	T	D	6.20%	4.20%	2.01%	\$21,016,770
Fairview Hospital			5.72%	4.09%	1.62%	\$2,479,072
Cape Cod Health Care and Affiliates						\$45,173,073
Cape Cod Hospital		D	7.59%	6.94%	0.65%	\$31,470,229
Falmouth Hospital		D	9.21%	8.04%	1.17%	\$13,702,844
Care Group						\$95,347,747
Beth Israel Deaconess Hospital - Needham			-1.36%	-1.98%	0.62%	(\$746,816)
Beth Israel Deaconess Medical Center	T		4.50%	3.48%	1.02%	\$62,250,000
Milton Hospital			0.30%	-0.53%	0.84%	\$207,563
Mount Auburn Hospital	T		7.94%	6.46%	1.49%	\$24,971,000
New England Baptist Hospital			4.27%	2.69%	1.58%	\$8,666,000
Partners Healthcare						\$342,314,136
Brigham and Women’s Hospital	T		5.18%	5.29%	-0.11%	\$121,961,000
Faulkner Hospital	T		-2.29%	-2.25%	-0.04%	(\$4,145,000)
Martha’s Vineyard Hospital (FY12Q2)*			1.57%	3.33%	-1.76%	\$485,136
Massachusetts General Hospital	T		7.38%	6.95%	0.43%	\$223,913,000
Nantucket Cottage Hospital			-19.96%	-24.88%	4.92%	(\$5,402,000)
Newton-Wellesley Hospital			4.95%	5.20%	-0.26%	\$19,633,000
North Shore Medical Center		D	-3.34%	-3.42%	0.08%	(\$14,131,000)
Steward Health Care System						(\$38,907,801)
Carney Hospital, Inc.	T	D	-1.16%	-1.16%	0.00%	(\$1,281,000)
Good Samaritan Medical Center		D	0.06%	0.06%	0.00%	\$107,824
Holy Family Hospital		D	-1.43%	-1.43%	0.00%	(\$2,198,259)
Merrimack Valley Hospital		D	-5.16%	-5.16%	0.00%	(\$1,165,861)
Morton Hospital and Medical Center		D	-2.46%	-3.64%	1.18%	(\$3,088,540)
Nashoba Valley Medical Center			-1.12%	-1.12%	0.00%	(\$193,648)
Norwood Hospital			-2.75%	-2.75%	0.00%	(\$4,276,764)
Quincy Medical Center		D	-18.81%	-17.53%	-1.28%	(\$18,545,553)
Saint Anne’s Hospital		D	7.74%	7.74%	0.00%	\$12,664,000
St. Elizabeth’s Medical Center	T	D	-7.93%	-7.93%	0.00%	(\$20,930,000)
Umass Memorial Health Care Inc., and Affiliates						\$56,154,704
Clinton Hospital		D	3.38%	2.65%	0.74%	\$891,000
Health Alliance Hospital			5.49%	5.63%	-0.14%	\$9,230,580
Marlborough Hospital			1.66%	0.91%	0.76%	\$1,273,000
UMass Memorial Medical Center	T	D	3.12%	3.30%	-0.17%	\$42,852,124
Wing Memorial Hospital		D	2.08%	1.80%	0.28%	\$1,908,000
Vanguard Health System						(\$2,886,421)
MetroWest Medical Center (FY12Q1)*			-7.13%	-7.24%	0.11%	(\$4,355,441)
Saint Vincent Hospital (FY12Q1)*	T	D	1.87%	1.87%	0.00%	\$1,469,020

Key: T: Teaching Hospital, D: Disproportionate Share Hospital

Notes: Profitability percentages may not add due to rounding

* Most calculations on this page use data reported by hospitals on an October 1 to September 30 fiscal year. Hospitals noted with an asterisk use alternative fiscal year periods.

Acute Hospital Financial Performance, By Hospital System: FY11

(continued from previous page)

Individual Hospitals						
Hospital Name	Type		Total Margin	Operating Margin	Non-Operating Margin	Profit (Loss)
Anna Jaques Hospital			-1.53%	0.95%	-2.48%	(\$1,627,227)
Athol Memorial Hospital		D	-2.29%	-2.57%	0.28%	(\$373,458)
Boston Medical Center	T	D	-2.55%	-3.08%	0.53%	(\$25,149,000)
Cambridge Health Alliance (FY12Q1)*	T	D	-6.75%	-7.95%	1.20%	(\$8,539,804)
Children's Hospital Boston	T		6.08%	4.39%	1.70%	\$82,067,000
Cooley Dickinson Hospital			5.29%	5.58%	-0.29%	\$8,511,987
Dana-Farber Cancer Institute	T		-0.88%	-6.63%	5.75%	(\$8,451,823)
Emerson Hospital			1.84%	1.31%	0.53%	\$3,312,975
Hallmark Health			6.95%	5.19%	1.76%	\$20,112,000
Harrington Memorial Hospital			7.22%	4.23%	2.99%	\$8,524,979
Heywood Hospital			-1.31%	-1.30%	-0.02%	(\$1,280,008)
Holyoke Medical Center		D	2.86%	2.96%	-0.10%	\$3,489,107
Jordan Hospital			2.06%	1.61%	0.45%	\$4,142,580
Lahey Clinic	T		8.57%	8.59%	-0.02%	\$65,091,473
Lawrence General Hospital		D	2.31%	2.15%	0.16%	\$4,407,000
Lowell General Hospital			5.29%	4.02%	1.27%	\$13,649,054
Massachusetts Eye and Ear Infirmary	T		7.26%	-4.05%	11.31%	\$15,782,997
Mercy Medical Center (FY11Q3)*		D	1.42%	1.61%	-0.20%	\$2,224,628
Milford Regional Medical Center			5.91%	5.77%	0.15%	\$11,558,769
Noble Hospital		D	-3.18%	-3.37%	0.18%	(\$1,696,272)
North Adams Regional Hospital		D	-2.92%	-3.18%	0.26%	(\$1,799,619)
Northeast Hospital			2.24%	1.69%	0.55%	\$7,125,496
Saints Medical Center		D	-4.74%	-4.91%	0.17%	(\$6,600,000)
Signature Healthcare Brockton Hospital		D	7.32%	6.40%	0.92%	\$16,082,788
South Shore Hospital			2.08%	2.17%	-0.09%	\$9,061,601
Southcoast Hospitals Group		D	4.98%	3.42%	1.56%	\$33,959,762
Sturdy Memorial Hospital			9.71%	5.39%	4.32%	\$15,938,941
Tufts Medical Center	T		1.08%	1.54%	-0.46%	\$7,250,000
Winchester Hospital			3.93%	3.01%	0.91%	\$10,623,878

Key: T: Teaching Hospital, D: Disproportionate Share Hospital

Notes: Profitability percentages may not add due to rounding

* Most calculations on this page use data reported by hospitals on an October 1 to September 30 fiscal year. Hospitals noted with an asterisk use alternative fiscal year periods.

This report is prepared pursuant to M.G.L. c. 118G, section 6A, which requires the Division of Health Care Finance and Policy (DHCFP) to assess and report on Massachusetts acute hospital financial performance. This report provides a statewide analysis of acute hospital financial data over five periods (fiscal year 2007 through fiscal year 2011). The most recent available data as of September 30, 2011 is used for fiscal year 2011 reporting (FY11). The fiscal year for Cambridge Health Alliance, MetroWest Medical Center, and Saint Vincent Hospital ends on June 30, Martha's Vineyard ends on March 31, and Mercy Medical Center ends on December 31. The most recent available data is used for these five hospitals. The FY11Q3 data was used as a proxy in median calculations for Athol Memorial Hospital as their FY11 annual financial filings were not available. Due to the purchase of certain hospitals by Steward Health Care System, metrics utilizing the number of days (Days in Accounts Receivable and the Average Payment Period) have been modified to reflect the time frames reported in their financial filings. Depending on the organization of each hospital, data may exclude other aspects of financial health, such as the financial performance of endowments, or the financial health of parent companies or other affiliated organizations.

The Financial Accounting Standards Board issued an update in July 2011 requiring the provision for bad debt to be reported as a deduction from patient service revenue in future statements of operations. While this update is not required to be implemented for all hospitals until fiscal year 2013, some hospitals have already adopted this standard. In order to maintain uniformity of financial data and comparability of financial ratios among hospitals, the DHCFP standardized the data so that expenses and the resulting ratios for all hospitals are calculated by including the provision for bad debt as an expense item.

Quartile values can shed light on information about the distribution of financial measures across hospitals. Averages can often be materially affected by outlier/extreme values at the low and high ends of a distribution. Examining quartiles, therefore, is a preferred means of assessing the overall distribution of values across hospitals. The reported values of one-quarter of the hospitals at the lower end of the distribution will fall at or below the 25th quartile value. Similarly, the reported values of one-quarter of the hospitals at the upper end of the distribution will fall at or above the 75th quartile value. The 50th percentile is the median of the distribution of values. Half of the hospitals' reported values will fall below the median, and half will fall above the median. These quartile measures are particularly useful when a distribution is markedly skewed, or where it is generally symmetrical but includes a few outliers.

Teaching Hospital (TCH): The Medicare Payment Advisory Commission (MedPAC) defines a major teaching hospital as having at least 25 full-time equivalent medical school residents per one hundred inpatient beds. Based on this definition, and using the fiscal year 2011 DHCFP 403 Cost Reports, the 18 hospitals listed below were assigned to the teaching cohort for fiscal year 2011 of this analysis. All other hospitals were designated as community hospitals.

Baystate Medical Center	Massachusetts Eye and Ear Infirmary
Berkshire Medical Center	Massachusetts General Hospital
Beth Israel Deaconess Medical Center	Mount Auburn Hospital
Boston Medical Center	Saint Vincent Hospital
Brigham and Women's Hospital	Steward Carney Hospital
Cambridge Health Alliance	Steward St. Elizabeth's Medical Center
Children's Hospital Boston	Tufts Medical Center
Dana-Farber Cancer Institute	UMass Memorial Medical Center
Faulkner Hospital	
Lahey Clinic	

Individual hospital fact sheets are available on DHCFP's website at www.mass.gov/dhcfp.



Disproportionate Share Hospital (DSH): Hospitals with 63% or more of patient charges attributed to Medicare, Medicaid, and other government payers, including Commonwealth Care and Health Safety Net. Based on this definition, and using the fiscal year 2011 DHCFP 403 Cost Reports, the 29 hospitals listed below were assigned to the Disproportionate Share Hospital cohort for fiscal year 2011 of this analysis because of their high proportions of public payers. All the remaining hospitals were designated as Non-Disproportionate Share Hospitals.

Athol Memorial Hospital	North Shore Medical Center
Baystate Franklin Medical Center	Saint Vincent Hospital
Baystate Medical Center	Saints Medical Center
Berkshire Medical Center	Signature Healthcare Brockton
Boston Medical Center	Southcoast Health Systems
Cambridge Health Alliance	Steward Carney Hospital
Cape Cod Hospital	Steward Good Samaritan Medical Center
Clinton Hospital	Steward Holy Family
Falmouth Hospital	Steward Morton Hospital
Holyoke Hospital	Steward Quincy Medical Center
Lawrence General Hospital	Steward St. Anne's Hospital
Mercy Hospital	Steward St. Elizabeth's Medical Center
Merrimack Valley Hospital	UMass Memorial Medical Center
Noble Hospital	Wing Memorial Hospital
North Adams Regional Hospital	

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